

REFERENCE TITLE: AHCCCS; liens; notification requirements

State of Arizona  
Senate  
Forty-seventh Legislature  
Second Regular Session  
2006

## **SB 1083**

Introduced by  
Senator Allen; Representative Quelland

AN ACT

AMENDING SECTIONS 36-2915 AND 36-2956, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 36-2915, Arizona Revised Statutes, is amended to  
3 read:

4                  36-2915. Lien of administration on damages recovered by injured  
5                  person; perfection, recording, assignment and notice  
6                  of lien

7                  A. The administration is entitled to a lien for the charges for  
8 hospital or medical care and treatment of an injured person for which the  
9 administration or a contractor is responsible, on any and all claims of  
10 liability or indemnity for damages accruing to the person to whom hospital or  
11 medical service is rendered, or to the legal representative of such person,  
12 on account of injuries giving rise to such claims and which necessitated such  
13 hospital or medical care and treatment. THE MEMBER OR THE MEMBER'S LEGAL  
14 REPRESENTATIVE MUST PROVIDE WRITTEN NOTICE TO THE ADMINISTRATION WITHIN TEN  
15 CALENDAR DAYS AFTER THE COMMENCEMENT OF A CIVIL ACTION OR OTHER PROCEEDING TO  
16 ESTABLISH THE LIABILITY OF ANY THIRD PARTY OR TO COLLECT MONIES PAYABLE FROM  
17 ACCIDENT INSURANCE, LIABILITY INSURANCE, WORKERS' COMPENSATION, HEALTH  
18 INSURANCE, MEDICAL PAYMENT INSURANCE, UNDERINSURED COVERAGE, UNINSURED  
19 COVERAGE OR ANY OTHER FIRST OR THIRD PARTY SOURCE. FAILURE TO PROVIDE THIS  
20 NOTICE IS GROUNDS FOR TERMINATION OF BENEFITS.

21                  B. In order to perfect a lien granted by this section, the director or  
22 the director's authorized representative, before or within sixty days from  
23 the date of notification to the administration of the hospital discharge or  
24 rendering of medical care and treatment, shall record in the office of the  
25 recorder of the county in which the injuries were incurred a verified  
26 statement in writing setting forth the name and address of the patient as  
27 they appear on the records of the administration, the name and address of the  
28 administration, the dates of admission to and discharge of the patient from  
29 the hospital or the dates on which medical care and treatment were provided  
30 to the patient, the amount estimated to be due for hospital or medical care  
31 and treatment, and, to the best of the director's knowledge, the names and  
32 addresses of all persons, firms or corporations and their insurance carriers  
33 alleged by the injured person or that person's legal representative to be  
34 liable for damages arising from the injuries for which he was hospitalized or  
35 for which medical care and treatment were provided. However, the director or  
36 the director's authorized representative is not required to include the  
37 address of the patient in the verified statement if the administration's  
38 records indicate that the patient's injuries may have resulted from an  
39 offense against the patient as defined in section 13-105. The director or  
40 the director's authorized representative, within five days after recording  
41 the lien, shall mail a copy of the lien, postage prepaid, to the patient and  
42 to each person, firm or corporation, including insurance carriers, alleged to  
43 be liable for liability or indemnity damages, at the address given in the  
44 statement. The recording of the lien is notice of the lien to all persons,



1           K. A health plan, a program contractor, an entity under contract with  
2 the administration or an authorized representative of the health plan,  
3 program contractor or entity shall include a cover sheet, as prescribed by  
4 the administration, when filing a lien on behalf of the administration  
5 pursuant to this section. The cover sheet shall be signed by the director on  
6 the administration's letterhead with the statutory authority of the health  
7 plan, program contractor, entity or authorized representative of the health  
8 plan, program contractor or entity to file a lien on behalf of the  
9 administration.

10          Sec. 2. Section 36-2956, Arizona Revised Statutes, is amended to read:  
11           36-2956. Liens on damages for injuries; notification

12           A. The administration is entitled to a lien for the charges for  
13 hospital, medical or long-term care and treatment of an injured person for  
14 which the administration or a program contractor is responsible pursuant to  
15 this article, on any and all claims for damages accruing to the person to  
16 whom hospital or medical service is rendered, or to the legal representative  
17 of such person, on account of injuries giving rise to such claims and which  
18 necessitated such hospital or medical care and treatment. Recovery of  
19 charges pursuant to this section shall be in a manner as nearly as possible  
20 the same as the procedures prescribed in sections 36-2915 and 36-2916.

21           B. THE MEMBER OR THE MEMBER'S LEGAL REPRESENTATIVE MUST PROVIDE  
22 WRITTEN NOTICE TO THE ADMINISTRATION WITHIN TEN CALENDAR DAYS AFTER THE  
23 COMMENCEMENT OF A CIVIL ACTION OR OTHER PROCEEDING TO ESTABLISH THE LIABILITY  
24 OF ANY THIRD PARTY OR TO COLLECT MONIES PAYABLE FROM ACCIDENT INSURANCE,  
25 LIABILITY INSURANCE, WORKERS' COMPENSATION, HEALTH INSURANCE, MEDICAL PAYMENT  
26 INSURANCE, UNDERINSURED COVERAGE, UNINSURED COVERAGE OR ANY OTHER FIRST OR  
27 THIRD PARTY SOURCE. FAILURE TO PROVIDE THIS NOTICE IS GROUNDS FOR  
28 TERMINATION OF BENEFITS.